

Message Text

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PAGE 01 STATE 306255
ORIGIN OES-07

INFO OCT-01 EUR-12 ISO-00 ACDA-12 CIAE-00 INR-07 IO-13
L-03 NSAE-00 NSC-05 EB-08 NRC-05 SOE-01 DODE-00
DOE-12 SS-15 SP-02 COME-00 /103 R

DRAFTED BY OES/NET:LVNOSENZO:SK
APPROVED BY OES/NET:LVNOSENZO
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FM SECSTATE WASHDC
TO AMEMBASSY BELGRADE PRIORITY
INFO AMCONSUL ZAGREB PRIORITY

C O N F I D E N T I A L STATE 306255

E.O. 11652: GDS

TAGS: PFOR, ENRG, YO

SUBJECT: KRSKO:OUTLINE OF POSSIBLE SOLUTIONS PRESENTED TO
KLUJN

1. FOLLOWING IS TEXT OF DISCUSSION PAPER GIVEN TO AMBAS-
SADOR KLUJN DECEMBER 22.

2. BEGIN TEXT. (1) (A) THE US WOULD NEGOTIATE AN AMEND-
MENT TO ITS GENERAL AGREEMENT FOR COOPERATION WITH THE
IAEA TO INCORPORATE ALL THE REQUIRED CONDITIONS FOR NEW
US BILATERAL AGREEMENTS FOR COOPERATION. THIS WOULD THEN
BE PRESENTED TO THE BOARD OF GOVERNORS OF THE IAEA AT THE
FEBRUARY BOARD MEETING.

(B) YUGOSLAVIA WOULD SUPPORT THE PROPOSED AMENDMENT IN THE
FEBRUARY BOARD.

(C) ASSUMING TIMELY SUBMITTAL AND PASSAGE OF THE AMENDMENT
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BY THE BOARD, YUGOSLAVIA WOULD INFORM THE IAEA IN A WRITTEN
COMMUNICATION OF:

(I) ITS INTENTION TO MEET THE OBLIGATIONS OF THE AMENDED
US AGREEMENT FOR COOPERATION WITH THE IAEA WITH REGARD TO
US-SUPPLIED FUEL FOR THE KRSKO REACTOR AS PROVIDED FOR IN

THE US/YUGOSLAV FUEL SUPPLY AGREEMENT FOR KRSKO (TO INCLUDE US CONSENT FOR RETRANSFER, FOR ANY ALTERATION (E.G., REPROCESSING), AND FOR STORAGE OF ANY RECOVERED PLUTONIUM RESULTING FROM US APPROVAL OF REPROCESSING); AND, ITS INTENTION TO UNDERTAKE THE SAME OBLIGATIONS WITH REGARD TO ANY OTHER FUEL UTILIZED IN THE KRSKO REACTOR; ALTERNATIVELY,

(II) ITS INTENTION TO MEET THE OBLIGATIONS OF THE AMENDED AGREEMENT WITH REGARD TO US-SUPPLIED FUEL FOR THE KRSKO REACTOR AS PROVIDED FOR IN THE US/YUGOSLAV FUEL SUPPLY AGREEMENT FOR KRSKO. YUGOSLAVIA WOULD, AT THE SAME TIME, AGREE TO OBTAIN ONLY US FUEL TO MEET KRSKO REQUIREMENTS FOR THE TWENTY-YEAR PERIOD SUBSEQUENT TO THE INITIAL TEN-YEAR COMMITMENT; ALTERNATIVELY,

(III) ITS INTENTION TO MEET THE OBLIGATIONS OF THE AMENDED AGREEMENT WITH REGARD TO US-SUPPLIED FUEL FOR THE KRSKO REACTOR AS PROVIDED FOR IN THE US/YUGOSLAV SUPPLY AGREEMENT FOR KRSKO. AT SUCH TIME AS YUGOSLAVIA MAY WISH TO UTILIZE NON-US FUEL IN THE KRSKO REACTOR, YUGOSLAVIA WOULD AGREE TO MEET THE OBLIGATIONS OF EXISTING INTERNATIONAL AGREEMENTS OR ARRANGEMENTS, TO WHICH BOTH THE US AND YUGOSLAVIA SUBSCRIBE, WITH REGARD TO USE, DISPOSITION AND TRANSFER OF SUCH FUEL. IN THE ABSENCE OF SUCH AN INTERNATIONAL AGREEMENT OR ARRANGEMENT, AND PRIOR TO USE OF CONFIDENTIAL

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NON-US FUEL IN THE KRSKO REACTOR, THE US AND YUGOSLAVIA WOULD NEGOTIATE MUTUALLY ACCEPTABLE CONDITIONS FOR USE OF SUCH FUEL. IT WOULD BE UNDERSTOOD THAT THESE MUTUALLY ACCEPTABLE CONDITIONS WOULD REPRESENT AN INTERIM ARRANGEMENT, PENDING THE ESTABLISHMENT OF AN APPROPRIATE INTERNATIONAL AGREEMENT OR ARRANGEMENT TO WHICH BOTH THE US AND YUGOSLAVIA SUBSCRIBE. FOR ITS PART, THE US WOULD STATE ITS INTENTION TO EXERCISE ITS RIGHTS, WITH RESPECT TO YUGOSLAV USE OF NON-US FUEL, IN A WAY THAT ENSURES THAT YUGOSLAVIA ENJOYS THE SAME BENEFITS AND OPPORTUNITIES AS MAY BE GENERALLY AVAILABLE TO OTHER STATES WITH WHICH THE US IS COOPERATING.

(2) IF THE US IS UNABLE TO SUBMIT AND/OR OBTAIN THE AMENDMENT TO THE AGREEMENT FOR COOPERATION WITH THE IAEA IN TIME FOR THE FEBRUARY BOARD, YUGOSLAVIA WOULD MAKE THE ABOVE COMMITMENTS AS IN (1) (C) (I), (II) OR (III);(A) IN A WRITTEN COMMUNICATION TO THE IAEA WITH REGARD TO THE US/YUGOSLAVIA/IAEA PROJECT AGREEMENT; OR ALTERNATIVELY, (B) IN A WRITTEN BILATERAL COMMUNICATION TO THE US IN CONNECTION WITH THE TRILATERAL PROJECT AGREEMENT AND/OR US/YUGOSLAV FUEL SUPPLY AGREEMENT.

(3) THE US WOULD PROVIDE YUGOSLAVIA, IF IT DESIRES IT, A COMMITMENT TO OFFER YUGOSLAVIA THE FOLLOWING OPTIONS WITH REGARD TO LONG-TERM DISPOSITION OF SPENT FUEL FROM THE KRSKO REACTOR:

(A) STORAGE OF SPENT FUEL IN YUGOSLAVIA;

(B) STORAGE OF SPENT FUEL IN THE US FOR A FIXED FEE WITH REIMBURSEMENT TO YUGOSLAVIA OF NET FUEL VALUE IF SUCH FUEL VALUE IS EXTRACTED (FUEL EQUIVALENT OR FINANCIAL COMPENSATION LESS PROCESSING COSTS);

(C) STORAGE, PROCESSING OR OTHER DISPOSITION OF SPENT
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FUEL IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED ARRANGEMENTS TO WHICH BOTH YUGOSLAVIA AND THE US SUBSCRIBE.

WITH RESPECT TO THE FOREGOING, THE US RECOGNIZES THAT AT THE TIME WHEN YUGOSLAVIA MAY WISH TO ENTER INTO ARRANGEMENTS FOR LONG-TERM DISPOSITION OF SPENT FUEL, CONDITIONS COULD BE SUCH THAT YUGOSLAVIA FINDS IT IMPRACTICABLE TO PROVIDE LONG-TERM STORAGE IN YUGOSLAVIA. ALTERNATIVELY, NO INTERNATIONALLY ACCEPTED ARRANGEMENTS FOR STORAGE, PROCESSING OR OTHER DISPOSITION TO WHICH BOTH YUGOSLAVIA AND THE US SUBSCRIBE MAY BE AVAILABLE. FURTHERMORE, AT THAT POINT IN TIME, CONDITIONS COULD BE SUCH THAT THE US ALSO FINDS IT IMPRACTICABLE TO PROVIDE LONG-TERM STORAGE OF SUCH SPENT FUEL IN THE US. UNDER THESE CIRCUMSTANCES, AND UPON REQUEST TO THE US, YUGOSLAVIA WOULD BE FREE TO REPROCESS SUCH MATERIAL IN FRANCE OR THE UK OR OTHER MUTUALLY AGREED STATE, WITH DISPOSITION OF ANY RESULTING SEPARATED PLUTONIUM SUBJECT TO FUTURE AGREEMENT OF THE US AND YUGOSLAVIA.

THE US WOULD ALSO PROVIDE ASSURANCES THAT THE US WOULD OFFER YUGOSLAVIA NO LESS FAVORABLE TERMS AND CONDITIONS FOR THE SUPPLY OF US FUEL AND/OR ENRICHMENT SERVICES THAN IT OFFERS OTHER STATES WITH WHICH THE US IS COOPERATING. END TEXT. VANCE

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INFO OCT-01 ISO-00 /008 R

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R 292315Z DEC 77

FM SECSTATE WASHDC

TO AMCONSUL VIENNA

AMEMBASSY MEXICO

C O N F I D E N T I A L STATE 306255

USIAEA; MEXICO FOR SCIENCE COUNSELOR WILCOX

FOL RPT STATE 306255 SENT ACTION BELGRADE INFO ZAGREB
DTD 23 DEC 7

QUOTE: C O N F I D E N T I A L STATE 306255

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FEBRUARY BOARD MEETING.

(B) YUGOSLAVIA WOULD SUPPORT THE PROPOSED AMENDMENT IN THE
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(C) ASSUMING TIMELY SUBMITTAL AND PASSAGE OF THE AMENDMENT
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UTILIZE NON-US FUEL IN THE KRSKO REACTOR, YUGOSLAVIA WOULD AGREE TO MEET THE OBLIGATIONS OF EXISTING INTERNATIONAL AGREEMENTS OR ARRANGEMENTS, TO WHICH BOTH THE US AND YUGOSLAVIA SUBSCRIBE, WITH REGARD TO USE, DISPOSITION AND TRANSFER OF SUCH FUEL. IN THE ABSENCE OF SUCH AN INTERNATIONAL AGREEMENT OR ARRANGEMENT, AND PRIOR TO USE OF NON-US FUEL IN THE KRSKO REACTOR, THE US AND YUGOSLAVIA WOULD NEGOTIATE MUTUALLY ACCEPTABLE CONDITIONS FOR USE OF SUCH FUEL. IT WOULD BE UNDERSTOOD THAT THESE MUTUALLY ACCEPTABLE CONDITIONS WOULD REPRESENT AN INTERIM ARRANGEMENT, PENDING THE ESTABLISHMENT OF AN APPROPRIATE INTERNATIONAL AGREEMENT OR ARRANGEMENT TO WHICH BOTH THE US AND YUGOSLAVIA SUBSCRIBE. FOR ITS PART, THE US WOULD STATE ITS INTENTION TO EXERCISE ITS RIGHTS, WITH RESPECT TO YUGOSLAV USE OF NON-US FUEL, IN A WAY THAT ENSURES THAT YUGOSLAVIA ENJOYS THE SAME BENEFITS AND OPPORTUNITIES AS MAY BE GENERALLY AVAILABLE TO OTHER STATES WITH WHICH THE US IS COOPERATING.

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(C) STORAGE, PROCESSING OR OTHER DISPOSITION OF SPENT FUEL IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED ARRANGEMENTS TO WHICH BOTH YUGOSLAVIA AND THE US SUBSCRIBE.

WITH RESPECT TO THE FOREGOING, THE US RECOGNIZES THAT AT THE TIME WHEN YUGOSLAVIA MAY WISH TO ENTER INTO ARRANGEMENTS FOR LONG-TERM DISPOSITION OF SPENT FUEL, CONDITIONS COULD BE SUCH THAT YUGOSLAVIA FINDS IT IMPRACTICABLE TO PROVIDE LONG-TERM STORAGE IN YUGOSLAVIA. ALTERNATIVELY, NO INTERNATIONALLY ACCEPTED ARRANGEMENTS FOR STORAGE, PROCESSING OR OTHER DISPOSITION TO WHICH BOTH YUGOSLAVIA AND THE US SUBSCRIBE MAY BE AVAILABLE. FURTHERMORE, AT THAT POINT IN TIME, CONDITIONS COULD BE SUCH THAT THE US ALSO FINDS IT IMPRACTICABLE TO PROVIDE LONG-TERM STORAGE OF SUCH SPENT FUEL IN THE US. UNDER THESE CIRCUMSTANCES, AND UPON REQUEST TO THE US, YUGOSLAVIA WOULD BE FREE TO REPROCESS SUCH MATERIAL IN FRANCE OR THE UK OR OTHER MUTUALLY AGREED STATE, WITH DISPOSITION OF ANY RESULTING SEPARATED PLUTONIUM SUBJECT TO FUTURE AGREEMENT OF THE US AND YUGOSLAVIA.

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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 136959
Secure: OPEN
Status: NATIVE
Subject: KRSKO:OUTLINE OF POSSIBLE SOLUTIONS PRESENTED TO KLUJN
TAGS: PFOR, ENRG, YO
To: BELGRADE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/13b6cafd-c188-dd11-92da-001cc4696bcc
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